REMARKS

This response is to the Office Letter mailed in the above-referenced case on May 03, 2005. Claims 1-24 and 26-34 are presented for examination. The Examiner has rejected claims 1-2, 8, 12-14, and 23-28 under 35 U.S.C. 103(a) as being unpatentable over Merriman in view of Middleton. Claims 15-22 are rejected under 35 U.S.C. 103(a) as being unpatentable over hereinafter Rakavy in view of Middleton. Claims 3 and 6-7 are rejected under 35 U.S.C. 103(a) as being unpatentable over Merriman in view Middleton and further in view of Worley. Claims 4-5 are rejected under 35 U.S.C. 103(a) as being unpatentable over Merriman in view Middleton and further in view of Angles. Claims 9 and 34 are rejected under 35 U.S.C. 103(a) as being unpatentable over Merriman in view of Middleton and further in view of Ravashetti (US 6,230,199) hereinafter Ravashetti. Claims 10-11 and 33 are rejected under 35 U.S.C. 103(a) as being unpatentable over Merriman in view of to Middleton and further in view of Houri. Claims 29-32 are rejected under 35 U.S.C. 103(a) as being unpatentable over Merriman in view Middleton and further in view of Ravaky.

Applicant has again carefully studied the prior art presented by the Examiner, and has reviewed the Examiner's rejections, references and comments. Applicant herein argues the patentability of the claims in their last amended form over the prior art newly presented by the Examiner.

In applicant's last response the independent claims were amended to positively recite that the user navigation behavior recorded, stored and used to generate profile or preference data includes, at least, transaction activity occurring at destination Web sites. The Examiner has raised new grounds of rejections in the instant Office Action necessitated by said previous amendments.

Regarding claim 1, the Examiner has stated that the reference of Merriman discloses substantially all of the limitations of applicant's claim, with the exception that Merriman fails to specifically disclose an instance of software residing on the first server

for recording any user activity data routed through the first server including at least transaction activity occurring at destination websites. The Examiner has relied on the newly presented reference of Middleton to teach this deficiency in the new grounds for rejection.

In order to provide the Examiner with a better understanding of the specific limitations of applicant's claims, applicant wishes to clearly differentiate between the user tracking and recording activity of Middleton and that of the claimed invention, as is further detailed below. Applicant argues that the on-line behavior of the user, including user navigation and transaction activity at Web sites, provides for compiling, storing and updating user profiles comprising far more useful data for much more effective target advertising.

Firstly, applicant must point out to the Examiner that Middleton does not teach an instance of software residing on the first server (applicant's first interface node) for recording any user activity data routed through the first server including at least transaction activity occurring at destination websites. Middleton simply teaches a commonly known applet which is embedded into the client's Internet browser software application which executes on the client node. Referring to Middleton (abstract, col. 4, line 50 – col. 5, line 20), it is clearly taught that the interactions that our tracked are simply user interactions in the advertisement, specifically, user activities with respect to hypertext objects within the advertisement, such as in state **108**, Fig. 2, the fact that the user's mouse hovered near or over an element in the advertisement, or the fact that the user clicked on an element in the advertisement. Middleton further teaches in state 114 that certain items pertaining to cursor location and activity may be tracked and teaches in state 116 that the fact of the user requesting a different web page is also tracked. So it is clear that Middleton teaches first that the advertisement is sent to the user, and user mouse activity is tracked as it relates to elements of the advertisement.

Applicant argues that the above teaching does not read on applicant's specific limitation of recording <u>any</u> user activity data routed through the first server including, at least, <u>transaction activity occurring at destination websites</u>, as recited in the independent

claims. Middleton does not teach monitoring user transaction activity at all, rather; Middleton simply teaches tracking the user's mouse activity, cursor position, and so on when interacting with hypertext elements of the advertisement.

Applicant's invention, on the other hand, teaches far beyond the capabilities of the inventions of the combined prior art. Applicant's invention teaches and claims recording actual transactions at Web sites visited by the user. Online behavior of the user is compiled using the user-activity and server-activity data, which is collected and analyze in order to compile an online behavior profile, and it is the stored and constantly updated online behavior profile of the user that determines the targeting of the advertisements.

In Middleton the advertisement targeting is not determined by the stored and constantly updated user profile as in applicant's invention, rather; the targeting in Middleton is determined by outside affiliated advertisers, accessed by the user via the Internet browser, and then the only tracking of user data which occurs is the user's interaction with the advertisement, not navigational and transaction activity occurring at Web sites, as in applicant's invention and claims. The invention of Middleton is directed toward counting the number of "impressions", or how many times their advertisement is seen, tracking how effective their ads are contracting consumer interest, and also gauging a user's interested a product and enticing users casually browsing through the World Wide Web without actually requiring the user to download the advertiser's web page. Middleton, therefore, teaches away from applicant's teaching of tracking a user's online web page transaction activity, as is specifically recited in the independent claims.

For example in applicant's invention, referring now to applicant's Fig. 2 which illustrates various data categories and data gathering methods used to create a multifaceted user-profile according to an embodiment of the present invention, websites visited by the user either directly or through proxy services are identified, and types of products purchased by the user from those websites may also be automatically captured as well as frequency parameters associated with purchases, time spent accessing services. Online histories for specific users may then be created and maintained on virtually any category or subcategory of user transaction activity at Web sites associated with blocks 39

and 41 of Fig. 2.

Applicant believes that claims 1 and 23 in their present form are patentable over the combined art of Merriman and Middleton as argued above. Claims 2-14 and 24-34 are patentable on their own merits, or at least as depended upon a patentable claim.

The Examiner has rejected independent claim 15 as being unpatentable over the reference of Rakavy in view of Middleton. However, all of the user data profile information in the art of Rakavy is directly input by the user in response to a questionnaire pertaining to user interests (col.9, lines 16-21). Rakavy fails to teach monitoring and logging user navigation behavior on the data-packet-network as claimed. Middleton is also deficient in this teaching as argued above on behalf of independent claims 1 and 23. Applicant therefore believes claim 15 is clearly and unarguably patentable over the combined art of Rakavy and Middleton. Claims 16-22 are then patentable on their own merits, or at least as depended from a patentable claim.

It is therefore respectfully requested that this application be reconsidered, the claims be allowed, and that this case be passed quickly to issue. If there are any time extensions needed beyond any extension specifically requested with this amendment, such extension of time is hereby requested. If there are any fees due beyond any fees paid with this amendment, authorization is given to deduct such fees from deposit account 50-0534.

Respectfully Submitted,
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